**IN THE HIGH COURT OF JUDICATURE, ANDHRA PRADESH**
**AT HYDERABAD**

(Special Original Jurisdiction)

FRIDAY, THE SIXTH DAY OF AUGUST
TWO THOUSAND AND FOUR

PRESENT

**THE HON'BLE DR JUSTICE G.YETHIRAJULU**

**WRIT PETITION NO : 13885 of 2004**

Between:

M.V. Krishna Reddy, S/o. Late Sri Venkata Reddy, Hindu,
R/o. Rajahmundry, East Godavari District,
Rep. by his GPA Holder M. Satyanarayana Reddy

**..... PETITIONER**

AND

1 The Chief Engineer (R&B), Roads, Erramanzil, Hyderabad.
2 The Managing Director, A.P. Road Development Corporation -cum-Ex.Officio Engineer-in-Chief-E.A.P., Erramanzil, Hyderabad.
3 The Superintending Engineer, R & B Circle, Seetammadhara, Visakhapatnam.
4 The Pay & Accounts Officer,' Y.R.C. Wing, Maharanipet, Visakhapatnam-1.

**.....RESPONDENTS**

Petition under Article 226 of the constitution of India praying that in the circumstances stated in the Affidavit filed herein the High Court will be pleased to issue an appropriate Writ, order or direction more particularly one in the nature of Writ of Mandamus declaring the action of the respondents in recovering the seigniorage fee on ordinary earth from the work bills of the petitioner in respect of the agreement bearing No.55/APERP/1999-2000, dated 28-5-1999 entered into with the 2nd respondent, as illegal, arbitrary and without authority of law, and consequently direct the respondents to return the seigniorage fee on ordinary earth recovered from the bills of the petitioner in respect of the work covered under the above Agreement

**Counsel for the Petitioner:MR.N.SIVA REDDY**

**Counsel for the Respondent No.: GP FOR ROADS & BUILDINGS**

**The Court before admission made the following :**

**THE HON'BLE DR JUSTICE G.YETHIRAJULU**

**WRIT PETITION NO : 13885 of 2004**

**O R D E R:**

The petitioner is a contractor and he entered into an agreement with the 2nd respondent on 28.5.1999. He executed several works under the jurisdiction of the respondents. The petitioner was paid the bills of the work after deducting seigniorage charges amounting to a tune of Rs. 4,16,352-92 Ps., on earthwork also.

The contention of the petitioner is that there is no provision in the agreement for deduction of the seigniorage charges. Therefore, the petitioner received those amounts under the protest from the respondents and requested to return the amount deducted towards seigniorage charges of earthwork. Since, there was no action from the respondent, he approached this Court seeking *writ of mandamus* directing to hold that the recovery of seigniorage charges by the respondents – 1 to 3 as illegal and arbitrary. The learned counsel for the petitioner brought to the notice of this Court a Judgment of the Division Bench of this Court, in W.P.No. 2054 of 2004, wherein the Division Bench passed the following order:

"Following the said view we allow the writ petition directing the

respondents not to collect any seigniorage charges from the petitioner for digging ordinary earth in respect of execution of contract work covered under the agreement. No costs. However, we make it clear that if the tax is included in the estimate on the earthwork component, it can be deducted as per G.O.Ms.No.23 dated 05.03.1999"

In view of the above said order of the Division Bench, the Writ Petition is disposed of directing the respondents not to collect the seigniorage fee on the ordinary earthwork, if there is no specific reference in the terms of the agreements entered into between the parties and if the said seigniorage charges are not taken into account while assessing the cost of the work entrusted to the petitioner.

The Writ Petition is accordingly disposed of. No order as to costs.

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6th August 2004

BCS/KSN

ASSISTANT REGISTRAR

// TRUE COPY //

SECTION OFFICER

To

1 The Chief Engineer (R&B), Roads, Erramanzil, Hyderabad.
2 The Managing Director, A.P. Road Development Corporation -cum-Ex.Officio Engineer-in-Chief-E.A.P., Erramanzil, Hyderabad.
3 The Superintending Engineer, R & B Circle, Seetammadhara, Visakhapatnam.
4 The Pay & Accounts Officer,' Y.R.C. Wing, maharanipet, Visakhapatnam-1.

5. 2CCs to G.P. for R & B, High Court Buildings, Hyderabad.

6. 2CD copies.